

May 15, 2003

The Honorable William M. Thomas
Chairman
Committee on Ways and Means
U.S. House of Representatives
2208 Rayburn House Office Building
Washington, D.C. 20515-0521

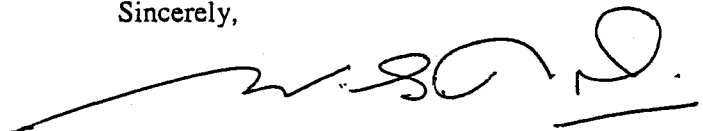
Dear Mr. Chairman

On Monday, senior members of Signet and its US subsidiary (Sterling Jewelers, Inc.)'s tax department attended a meeting at which Greg Nickerson spoke. In particular, Greg discussed the changes that you are making in the "earnings stripping" proposal. Greg indicated that you wished to hear feedback from companies in advance of releasing specific language detailing this proposal.

We fully support your changes as described by Greg because they recognize that the worldwide limitation (whether or not in conjunction with a safe harbor) is not workable for a variety of companies and that any limitation imposed on the deductibility of interest expense should be based on a net interest concept. We would appreciate the opportunity to review the actual bill language and, if necessary, to work with you and your staff on it.

We welcome your willingness to look at this issue anew. We believe that the changes that you described will enable internationally headquartered retail companies to continue to provide growth opportunities and jobs in the U.S. Assuming the rest of the international tax bill is similar to that introduced last year, we would support this legislation with the earnings stripping change.

Sincerely,



Walker Boyd
Group Finance Director, Signet Group plc

cc: Greg Nickerson
John Kelliher
Bob Winters